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THE Livestock and Meat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LMS-16

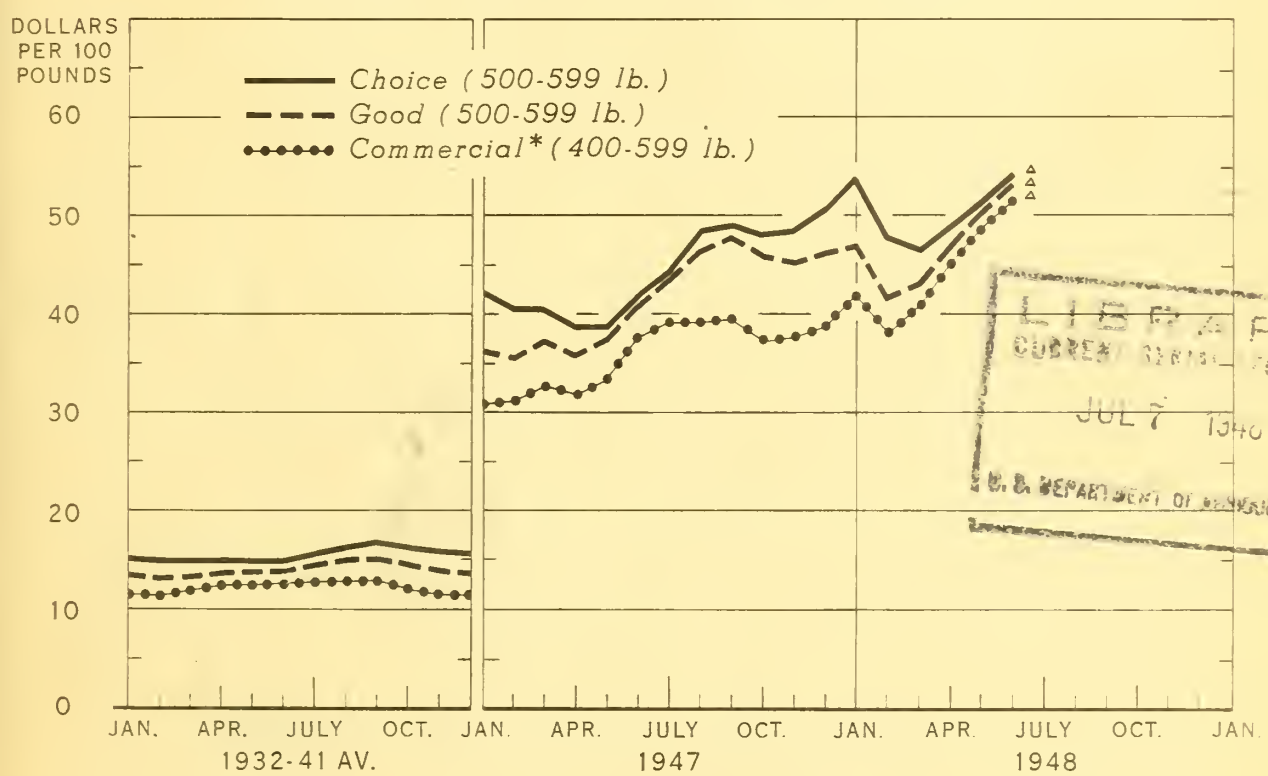


JUNE 1948

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BEEF: MONTHLY AVERAGE WHOLESALE PRICES, BY GRADES, CHICAGO, 1932-41 AVERAGE, AND 1947-48

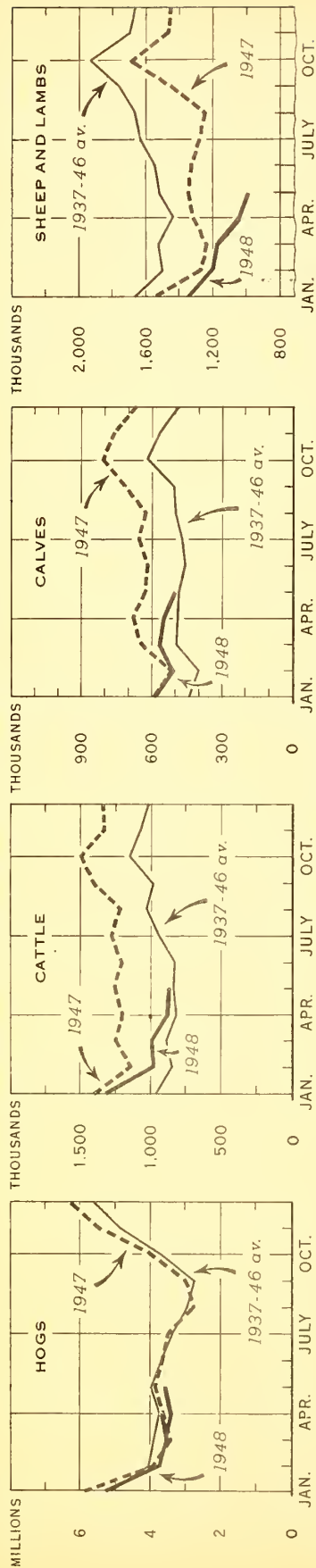


* MEDIUM GRADE, 500 LB. UP IN 1932; 500-599 LB., 1933-37; AND 400-599 LB., 1938-JULY 1939
△ AVERAGE PRICES 2-WEEK PERIOD ENDING JUNE 12

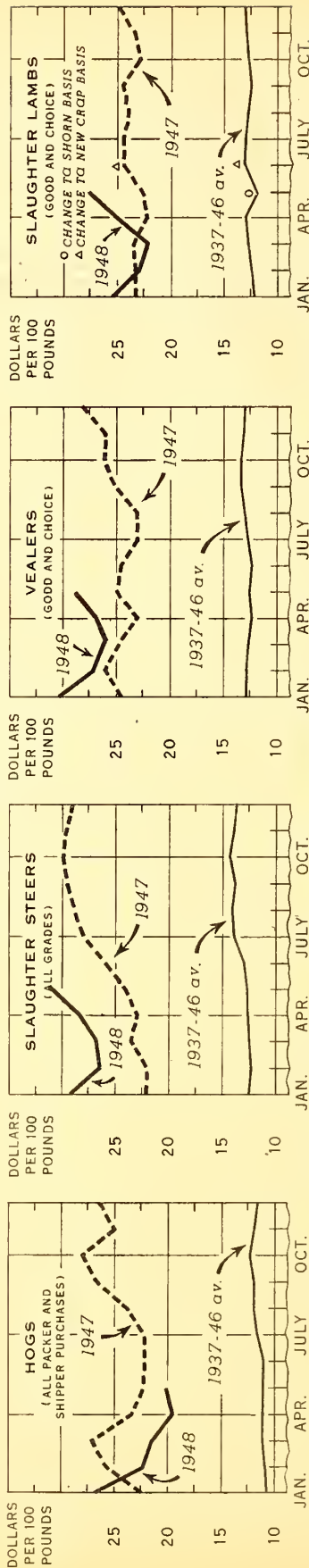
Wholesale prices of good and commercial beef in early June were much higher than the January peak, but prices of choice carcasses were only slightly higher. The spread between prices of commercial and choice beef in June was much narrower than a year earlier.

LIVESTOCK AND MEAT SITUATION

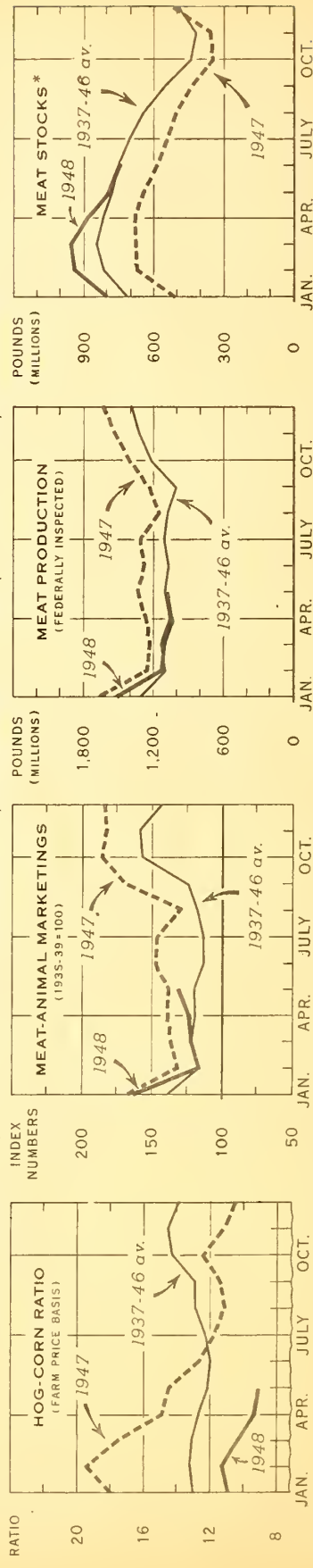
FEDERALLY INSPECTED SLAUGHTER, UNITED STATES



MARKET PRICES, CHICAGO



HOG-CORN RATIO, MEAT ANIMAL MARKETINGS, MEAT PRODUCTION, AND STOCKS, UNITED STATES



* BEEF, LAMB AND MUTTON. PORK AND MISCELLANEOUS MEATS IN MEAT PACKING PLANTS AND COMMERCIAL COLD STORAGE HOUSES, BEGINNING OF MONTH

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, June 21, 1948

SUMMARY

Total meat output in April-June is estimated at around 10 percent less than a year earlier. Meat production is expected to continue at about this rate below last year during both the summer reduction in supplies and the fall and early winter increase. Slaughter of each class of meat animals will be smaller in the second half of 1948 than a year earlier.

Per capita meat consumption in the second quarter of 1948 was 2 to 3 pounds less than the 38 pounds consumed in that quarter of 1947. In the third quarter, when supplies are expected to reach the lowest point of the year, consumption will probably be around 2 pounds less than the 35.8 pounds consumed at that time in 1947. Meat consumption per person will increase in the fourth quarter of this year but may be as much as 3 to 4 pounds less than during the fourth quarter of 1947.

The 1948 spring pig crop was estimated at 51 million head, 3 percent less than in 1947 and the smallest since 1941. Farmers reported about June 1 that they intended to have 4.9 million sows farrowing in the 1948 fall season. If these intentions are carried out and an average number of pigs is saved per litter, the 1948 fall pig crop will total around 31 million, one percent less than a year earlier.

The fewer hogs on farms June 1 from the 1947 fall pig crop, and the 3 percent reduction from a year earlier in spring pigs indicate that hog slaughter from June through next March will be moderately less than a year earlier. Prospects for a smaller 1948 fall pig crop indicate that slaughter of hogs in the spring and summer of 1949 will be moderately smaller than in the current year and possibly the smallest since 1942.

Meat and meat-animal prices, now generally at record high levels, may increase further this summer and early fall as meat production decreases seasonally. Demand for meat continues unusually strong. Disposable personal incomes in the first quarter of 1948 were estimated at 186 billion dollars (seasonally adjusted annual rate) compared with 184 billion in the last quarter of 1947. Second quarter incomes are expected to be somewhat higher.

If consumer incomes remain high, it is likely that prices of meat, particularly pork, will increase further as meat supplies decline seasonally. Also, a less than seasonal decline in prices is likely in the fall and early winter, since meat production at that time is expected to increase less than seasonally. Any gain in consumer incomes during the seasonal decline in meat supplies this summer would accentuate the seasonal rise in prices.

Since the settlement of the packing strike, prices of slaughter stock have advanced more than meat prices. Slaughterers margins, which were unusually wide during the strike, have narrowed considerably.

Hog prices have been low relative to cattle prices because slaughter of cattle has been near the lowest levels of the year and hog slaughter has been near its spring peak. Prices of hogs are likely to advance relative to cattle in the next few months as cattle slaughter increases and hog slaughter declines

OUTLOOK

Meat-animal Prices May Go Higher
This Summer

Prices farmers will receive for meat animals in the second half of 1948 are likely to average moderately above those in the first half year which were 10 percent higher than in the first half of 1947 and 3 times higher than the 1935-39 yearly average. Supplies will be down more from last year in the second half than in the first. Moreover, demand for meat continues unusually strong. Disposable personal income (personal incomes less taxes) in the first quarter of 1948 were estimated at 186 billion dollars (seasonally adjusted annual rate) compared with 184 billion in the last quarter of 1947, and 169 billion in the first quarter of 1947. Consumer incomes in the second quarter of 1948 are expected to be somewhat higher than during January-March and may continue at a new high level.

Prices of hogs rose sharply during late May as the strike of packing-house workers ended. Prices of most classes of cattle and lambs continued to advance in May, reaching new highs in late May or early June. Wholesale prices of meats advanced moderately in May and continued at record high levels in early June. Spreads between prices of live animals and meat at wholesale, which were unusually wide during April and early May, narrowed considerably.

Prices of pork and of hogs continued low relative to prices of other livestock and meat during early June. Prices of hogs averaged lower than a year earlier but prices of cattle and lambs were considerably higher. Hog slaughter continued about as large as a year earlier and was approaching a peak for the spring season. In contrast, slaughter of cattle and lambs continued considerably under a year earlier and was nearing the low point for the year.

Demand for cattle, lambs and hogs for breeding and feeding will be strong this fall, if feed grain crops are average or better this year, and producers wanting to buy such livestock will have strong competition from slaughterers. The number of feeder lambs and of stocker and feeder cattle for market will be less than a year earlier.

Prices of Lower Grade Cattle High
Relative to Higher Grades

Prices of lower grade cattle have recently been higher than usual relative to prices of better grades. For example, May prices of canner cows at Chicago averaged 41 percent higher than a year earlier, those of common grade steers were 42 percent higher, while prime and choice steers brought only 25 percent more. These changes in prices of live animals reflected similar changes for respective grades of beef. Although prices of various beef grades normally are closer together at this season than at any other, the spread is even smaller than usual this year. May prices of commercial beef carcasses at Chicago were 45 percent higher, on the average, than prices last May; good grade carcasses were up 34 percent; and the gain in choice carcasses was but 32 percent.

Table 1. - Disposable income, meat-animal and retail meat prices,
United States, quarter-years, 1946-48

(Index numbers 1935-39=100)			
Year and quarter	Disposable personal income 1/ Billion dollars	Index numbers of meat-animal prices 2/	Index numbers of retail meat prices 3/
1946			
1st quarter	150.9	179	114.9
2nd quarter	153.8	191	116.3
3rd quarter	160.4	227	153.7
4th quarter	168.0	264	188.5
Year	158.4	215	144.6
1947			
1st quarter	168.8	272	193.4
2nd quarter	170.1	279	199.0
3rd quarter	177.9	296	223.5
4th quarter	183.7	294	223.9
Year	175.3	286	209.9
1948			
1st quarter	186.1	294	221.4

1/ Computed by U. S. Department of Commerce.

2/ Average price received by farmers.

3/ Index of retail meat prices excluding lard, Bureau of Agricultural Economics.

Several factors contribute to the narrow spread between better and poorer grades of both animals and meat. Retail prices of lower grades and cuts of meat are now relatively close to prices of better grades and cuts, indicating that retail demand may have shifted somewhat away from top qualities in resistance to the highest prices. Also, slaughter demand for poorer grade animals may be strengthened by the expanded production of various canned meats and other meat products, many of which utilize lower grades of meat. Finally, a strong demand for cattle for grazing has competed with slaughter demand for cattle suited to either use.

There is scattered evidence that supplies of lower grades have been smaller than was expected in view of the reduced feed supplies of last winter and the fewer cattle on feed. This is most likely to have been true during the packing strike, when marketings of animals in top condition may have been nearly maintained but poorer stock held back for further feed.

(Data for Cover page chart)

1/ Choice and good, 550-699 pounds in 1932.

2/1932, Medium 500 pounds up; 1953-37 Medium 500-599 pounds. 1938 to July 1939, Medium 400-599 pounds;

Commercial 400-599 pounds beginning August 1939.

3/ Average of first 2 weeks of June.

Table 3.- Price of beef steers sold out of first hands for slaughter,
Chicago, 1932-41 average, 1947-48

: 1932-41 average			: 1947			: 1948			
Month:	Choice	:	Choice	:	:	Choice	:	:	
:	and	: Good	: Medium	:	: Good	: Medium	:	: Good	: Medium
:	prime	:	prime	:	:	prime	:	:	:
:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Jan.	10.74	8.95	7.46	28.08	23.93	20.44	36.80	30.36	25.69
Feb.	10.38	8.86	7.56	26.26	23.79	21.06	30.57	27.10	23.91
Mar.	10.56	9.07	7.79	26.92	24.05	21.82	29.42	26.92	24.41
Apr.	10.50	9.07	7.88	25.88	23.45	21.04	30.37	28.17	25.43
May	10.08	8.95	7.92	25.92	24.22	22.01	32.41	30.91	28.62
June	9.87	8.94	7.96	27.38	25.72	23.40	<u>1/35.50</u>	<u>1/34.12</u>	<u>1/30.74</u>
July	10.36	9.40	8.18	30.25	27.64	24.30			
Aug.	10.65	9.57	8.06	31.91	28.27	21.96			
Sept.	11.18	9.87	8.16	32.77	29.43	22.60			
Oct.	11.05	9.64	7.93	33.43	29.55	23.51			
Nov.	10.89	9.36	7.69	33.96	29.12	23.19			
Dec.	10.92	9.32	7.73	35.02	29.62	23.67			
:									
:									
Index numbers (1932-41=100)									
Jan.	100.0	100.0	100.0	261.5	267.4	274.0	342.6	339.2	344.4
Feb.	100.0	100.0	100.0	253.0	268.5	278.6	294.5	305.9	316.3
Mar.	100.0	100.0	100.0	254.9	265.2	280.1	278.6	296.8	313.4
Apr.	100.0	100.0	100.0	246.5	258.5	267.0	289.2	310.6	322.7
May	100.0	100.0	100.0	257.1	270.6	277.9	321.5	345.4	361.4
June	100.0	100.0	100.0	277.4	287.7	294.0	<u>1/359.7</u>	<u>1/381.7</u>	<u>1/386.2</u>
July	100.0	100.0	100.0	292.0	294.0	297.1			
Aug.	100.0	100.0	100.0	299.6	295.4	272.5			
Sept.	100.0	100.0	100.0	293.1	298.2	277.0			
Oct.	100.0	100.0	100.0	302.5	306.5	296.5			
Nov.	100.0	100.0	100.0	311.8	311.1	301.6			
Dec.	100.0	100.0	100.0	320.7	317.8	306.2			
:									

1/ Average price for first two weeks of June.

Relatively shortest Meat Supplies in Fall

Per capita meat consumption in the second quarter of 1948 is estimated at 2 to 3 pounds less than the 38 pounds consumed in the same quarter of 1947. In the third quarter, when supplies are expected to reach the lowest point of the year, consumption per person possibly will average around 2 pounds less than the 35.8 pounds consumed at that time in 1947. Meat supplies are expected to increase less than usual this year from the third quarter low, principally because of prospective smaller hog slaughter than in late 1947. Meat consumption per person in the fourth quarter this year may possibly be as much as 3 to 4 pounds less than during the same period of 1947. Fourth-quarter consumption in 1947 was 40.8 pounds per person.

Table 4.- Summary of total meat supply and distribution, United States, by quarter-years, 1941-47
(Carcass-weight equivalent)

Period	Federally inspected				Civilian consumption	
	Supply 1/ Mil. lb.	Disappearance 2/ Non-civilian Civilian		Non-inspected disappearance 4/ Mil. lb.	Total Mil. lb.	Per capita 5/ Lb.
		Mil. lb.	Mil. lb.			
1941						
Jan.-Mar.	3,997.2	113.3	3,003.7	1,729	4,732.7	35.7
Apr.-June.....	4,147.0	218.4	3,156.1	1,469	4,625.1	34.9
July-Sept.	4,001.2	350.8	3,218.3	1,285	4,503.3	34.1
Oct.-Dec.	4,402.0	385.7	3,413.7	1,661	5,074.7	38.2
Year.....	14,462.6	1,068.2	12,791.8	6,144	18,935.8	142.9
1942						
Jan.-Mar.	4,394.9	471.0	3,180.1	1,826	5,006.1	37.6
Apr.-June.....	4,510.8	939.0	3,024.3	1,562	4,586.3	34.7
July-Sept.	4,302.7	1,082.7	2,882.2	1,346	4,228.2	32.0
Oct.-Dec.	4,688.1	1,149.1	2,903.1	1,727	4,630.1	35.3
Year.....	16,267.4	3,641.8	11,989.7	6,461	18,450.7	139.6
1943						
Jan.-Mar.	4,541.7	1,464.4	2,375.4	2,036	4,411.4	33.9
Apr.-June.....	4,619.1	1,304.9	2,795.4	1,858	4,653.4	35.9
July-Sept.	4,749.1	1,442.0	2,893.7	1,584	4,477.7	34.7
Oct.-Dec.	5,423.9	1,457.4	3,203.2	2,175	5,378.2	41.6
Year.....	17,699.7	5,668.7	11,267.7	7,653	18,920.7	146.1
1944						
Jan.-Mar.	5,904.6	1,808.9	3,032.9	1,865	4,897.9	37.9
Apr.-June.....	5,461.2	1,422.3	3,066.5	1,669	4,735.5	36.7
July-Sept.	4,980.1	1,219.2	3,324.2	1,595	4,919.2	38.1
Oct.-Dec.	5,000.5	1,421.3	3,146.4	2,123	5,274.4	40.8
Year.....	18,874.5	5,871.7	12,570.0	7,257	19,827.0	153.5
1945						
Jan.-Mar.	4,464.9	1,620.7	2,283.9	2,313	4,596.3	35.9
Apr.-June.....	4,142.5	1,489.2	1,927.1	1,819	3,746.1	29.2
July-Sept.	4,232.0	961.5	2,663.2	1,705	4,368.2	33.8
Oct.-Dec.	4,977.2	792.7	3,536.4	2,491	6,027.4	45.6
Year.....	15,922.2	4,864.1	10,410.0	8,328	18,738.0	144.5
1946						
Jan.-Mar.	4,550.8	676.6	3,262.9	2,741	6,003.9	44.0
Apr.-June.....	3,470.8	659.1	2,451.4	2,192	4,643.4	33.4
July-Sept.	3,266.9	226.9	2,863.9	1,851	4,714.9	33.6
Oct.-Dec.	4,323.2	244.2	3,628.2	2,377	6,005.2	42.7
Year.....	14,464.0	1,806.8	12,206.4	9,161	21,367.4	153.7
1947						
Jan.-Mar.	4,577.1	305.1	3,713.4	2,041	5,754.4	40.6
Apr.-June.....	4,429.7	247.5	3,748.6	1,698	5,446.6	38.0
July-Sept.	4,125.9	190.1	3,655.2	1,482	5,137.2	35.8
Oct.-Dec.	4,892.4	240.0	3,926.6	1,977	5,903.6	40.8
Year.....	16,752.3	982.7	15,043.8	7,193	22,241.8	155.2

1/ Production plus imports plus beginning stocks. 2/ Supply minus ending stocks, separated into civilian and non-civilian uses. 3/ Net USDA and military purchases plus commercial exports and shipments. 4/ Non-inspected wholesale and retail production and consumption from farm slaughter. Considered to be entirely for civilian consumption.

5/ Population eating out of civilian supplies, including adjustment for underenumeration of children.

MEAT SUPPLY AND DISTRIBUTION BY QUARTER-YEARS, UNITED STATES, 1941-47, Bureau of Agricultural Economics in cooperation with Livestock Branch of Production and Marketing Administration, June 1948.

1948 Spring Pig Crop Down 3 Percent;
Little Reduction in Fall Crop Indicated

The 1948 spring pig crop was estimated at 51.4 million head, 3 percent smaller than the 1947 spring crop and the smallest since 1941. The largest relative decrease from a year earlier occurred in the West North Central States. In general, the number saved was below a year earlier in most of the North but greater in the South and West.

An estimated 8.0 million sows farrowed during the spring season, 3 percent fewer than a year earlier. However, the number of pigs saved per litter was greater than a year earlier--6.44 this year compared with 6.10 in the spring of 1947. The 6.44 pigs this year was second only to the 6.46 saved in the spring of 1946.

Farmers reported about June 1 that they intended to have 4.9 million sows farrowing in the 1948 fall season (June 1-December 1). If these intentions are carried out and an average number of pigs is saved per litter, the 1948 fall pig crop will total around 31 million head, only 1 percent less than a year earlier. Small decreases in fall farrowings are in prospect for most regions, but the West North Central and Western regions may increase a little.

Table 5.- Sows farrowed by month, spring season, United States,
 1937-46 average, 1946-48

Year	Dec. 1/	Jan.	Feb.	Mar.	Apr.	May	Total
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
1937-46 Av.	331	431	834	2,226	2,997	1,699	8,518
1946	296	358	703	2,136	2,962	1,654	8,109
1947	301	393	914	2,475	3,063	1,506	8,652
1948 2/	264	370	766	2,155	2,882	1,551	7,988
	Percent of total spring sows farrowed						
1937-46 Av.	3.9	5.1	9.8	26.1	35.2	19.9	100.0
1946	3.7	4.4	8.7	26.3	36.5	20.4	100.0
1947	3.5	4.5	10.6	23.6	35.4	17.4	100.0
1948 2/	3.3	4.6	9.6	27.0	36.1	19.4	100.0

1/ December of preceding year.

2/ Preliminary

Table 6.- Sows farrowed, pigs saved, and pigs saved per litter, spring and fall pig crops, United States and by regions, average 1937-46, 1947-48

Year and region	Spring crop				Fall crop 1/			
	: Figs : : Sows : saved :		: Pigs saved : : Percent :		: Figs : : Sows : saved :		: Pigs saved : : Percent :	
	: farrowed : : per : litter :		: Number : : of U. S. : total :		: farrowed : : per : litter :		: Number : : of U. S. : total :	
	: Thousands	Number	: Thousands	Percent	: Thousands	Number	: Thousands	Percent
<u>East North</u>	:	:	:	:	:	:	:	:
<u>Central:</u>	:	:	:	:	:	:	:	:
Av. 1937-46	: 2,220	6.47	14,337	27.1	: 1,635	6.61	10,797	31.8
1947	: 2,313	6.17	14,278	27.0	: 1,566	6.55	10,258	32.7
1948	: 2,124	6.66	14,140	27.5	: 1,556	6.61	10,200	32.9
<u>West North</u>	:	:	:	:	:	:	:	:
<u>Central:</u>	:	:	:	:	:	:	:	:
Av. 1937-46	: 4,005	6.27	25,043	47.3	: 1,710	6.37	10,894	32.1
1947	: 4,266	6.10	26,031	49.3	: 1,534	6.36	9,760	31.2
1948	: 3,768	6.47	24,390	47.4	: 1,569	6.37	10,000	32.2
<u>N. Atlantic</u>	:	:	:	:	:	:	:	:
Av. 1937-46	: 156	6.39	1,000	1.9	: 141	6.65	934	2.8
1947	: 157	6.49	1,019	1.9	: 119	6.88	822	2.6
1948	: 148	6.63	985	1.9	: 118	6.65	800	2.6
<u>S. Atlantic</u>	:	:	:	:	:	:	:	:
Av. 1937-46	: 641	5.84	3,742	7.0	: 563	6.04	3,413	10.0
1947	: 670	5.90	3,956	7.5	: 599	6.13	3,675	11.7
1948	: 656	6.08	3,988	7.8	: 582	6.04	3,500	11.3
<u>South Central</u>	:	:	:	:	:	:	:	:
Av. 1937-46	: 1,162	5.82	6,776	12.8	: 1,034	6.06	6,270	18.5
1947	: 1,003	5.97	5,992	11.4	: 908	6.24	5,668	18.1
1948	: 1,020	6.10	6,219	12.1	: 888	6.06	5,300	17.1
<u>Western</u>	:	:	:	:	:	:	:	:
Av. 1937-46	: 334	6.21	2,070	3.9	: 261	6.32	1,646	4.8
1947	: 243	6.27	1,526	2.9	: 182	6.45	1,169	3.7
1948	: 272	6.25	1,699	3.3	: 197	6.32	1,200	3.9
<u>United States</u>	:	:	:	:	:	:	:	:
Av. 1937-46	: 8,518	6.23	52,968	100.0	: 5,344	6.35	33,954	100.0
1947	: 8,652	6.10	52,802	100.0	: 4,908	6.39	31,352	100.0
1948	: 7,988	6.44	51,421	100.0	: 4,910	6.35	31,000	100.0

1/ 1948 figures are estimates based on farmers' breeding intentions reported about June 1, and 1937-46 average number of pigs saved per litter. Number of fall pigs rounded to nearest 500,000 head for U. S. total and to nearest 100,000 for individual regions.

Average Size of Litters Increasing

There has been a sharp upward trend in the number of pigs saved per litter in the past 25 years. From 1924 to 1948 the average number of pigs saved per sow farrowing in the spring has increased for the country as a whole at the rate of .036 per year or 1 pig per litter in 27 years. During that period, the rate of increase in the number of pigs per litter saved in the West North Central States has shown a more marked increase, or 1 per litter in 22 years. Since 1924, the rate of increase in the number of fall pigs saved per litter has been almost as great as the increase for the spring season.

Table 7.- Average increase per year in number of pigs saved per litter by regions, United States, 1924-47

Region	Spring crop	Fall crop
	Number	Number
East North Central .....	.029	.034
West North Central .....	.046	.044
North Atlantic .....	.013	.021
South Atlantic .....	.009	.019
South Central .....	.023	.031
Western .....	.024	.025
United States .....	.036	.035

Favorable weather during the peak farrowing months for spring pigs was in part responsible for the larger number of pigs saved per litter this year compared with 1947. Also, farrowings were slightly later this year. An estimated 44.5 percent of the farrowings during the spring season this year were in December-March this year compared with 47.2 percent a year earlier and 44.9 percent on the average in 1937-46. April farrowings amounted to 36.1 percent of the season's total compared with 35.4 percent in the spring of 1947.

More Than Seasonal Decrease in Summer
Hog Slaughter in Prospect

Late farrowings will be one factor tending toward late marketings of 1948 spring pigs. An additional and more important factor will be the current shortage of corn and the prospects that 1948 feed grain crops will be considerably larger than those of a year earlier. Farmers have been marketing their hogs earlier than usual, but with larger feed grain crops in prospect and more favorable hog-feed grain price relationships, they will tend to delay marketings beginning in the late summer or early fall. This will probably result in a greater than seasonal drop in hog marketings this summer, relatively small marketings of hogs in October-December, and relatively large marketings in January-March 1949.

Table 8.- Hogs: Number on farms 6 months old and over, June 1, 1935-48

Year	: North Central States :	Other States	: Total United States
	: Thousands	Thousands	: Thousands
1935	: 10,729	8,499	19,228
1936	: 11,969	8,805	20,774
1937	: 10,635	9,518	20,153
1938	: 10,843	9,350	20,193
1939	: 13,460	10,854	24,314
1940	: 15,518	11,650	27,168
1941	: 14,787	9,860	24,647
1942	: 17,835	11,006	28,841
1943	: 23,017	13,240	36,257
1944	: 20,866	13,634	34,500
1945	: 16,147	9,419	25,566
1946	: 14,107	8,852	22,959
1947	: 15,527	8,693	24,220
1948 ^{1/}	: 14,650	9,096	23,746

^{1/} Preliminary.

The fewer hogs on farms June 1 from the 1947 fall pig crop indicate that hog slaughter in June-September this year will be moderately less than a year earlier, even though the 1947 fall pig crop was 3 percent greater than a year earlier. Hogs from the fall pig crop were marketed earlier than usual this year, and the number of hogs over 6 months of age June 1 was 2 percent less than on June 1, 1947.

1948 Pig Crop Smallest in 8 Years

The 1948 spring pig crop of 51 million and the prospective fall pig crop indicate that the total number of pigs saved this year will be the smallest since 1940. Hog slaughter is not expected to increase as much as usual from summer to winter this year, and slaughter in the year beginning October 1948 will be moderately smaller than this year.

The reported reduction in the spring pig crop from a year earlier of 3 percent indicates a somewhat similar reduction in total hog slaughter during the period October 1948-March 1949. But the prospective 1948 fall pig crop nearly equal to that of last fall indicates that slaughter of hogs in the spring and summer of 1949 will be about the same as in the current year.

With average or better feed grain crops this year, farmers will probably continue to feed hogs to heavy slaughter weights, possibly to heavier weights in 1948-49 than during the current season. If weights are heavier, pork production will not drop the 2 percent indicated by smaller numbers for the hog marketing year beginning this October.

The average weight of hogs slaughtered under Federal inspection in April was 245 pounds, 9 pounds less than a year earlier. Average slaughter weights continued slightly under a year earlier in May.

Hog weights, nevertheless, have been well above prewar this year, even though the hog-corn price ratio has been below average. The ratio, U. S. farm basis, in February was 11.2 but continued to become more unfavorable to hog producers until May when it reached 9.1. The ratio continued much below average in June but was higher than on May 15. Hog prices advanced sharply in late May but corn prices did not advance.

Cattle Slaughter Considerably Under a Year Earlier;
Calf Slaughter Reduced Relatively Less

Slaughter of cattle under Federal inspection in January-May totaled 5.1 million head, 19 percent less than a year earlier but was the fourth largest on record for the period. Slaughter under Federal inspection in May was 31 percent less than a year earlier, but the big drop was due partly to the packing strike. Total slaughter was not reduced as much this year as slaughter under Federal inspection. In the first quarter, federally inspected slaughter was 13 percent less than in 1947 but total commercial slaughter was down only 10 percent.

Cattle slaughter this summer probably will be reduced relatively more than during the first 3 months of the year because the number of cattle now on grain feed is materially smaller than a year earlier. The number of cattle on feed in the Corn Belt April 1 was estimated to be 25 percent smaller than a year earlier. January-May shipments of stocker and feeder cattle and calves to 8 Corn Belt States totaled 36 percent less than a year earlier and was the smallest number for those months since 1944. Compared with a year earlier the greatest reduction in the number of cattle and calves moving to feed lots this year has been in calves and light-weight feeder cattle.

The number of fed cattle for market in the remainder of this year is likely to continue relatively small. Cattle feeding may increase, especially if the crop of corn and other feed grains is large. May shipments of feeder cattle to 8 Corn Belt States were much larger than those in April and the largest for the month since 1941. However, most of the cattle going into feed lots during the rest of 1948 will not be ready for market until 1949.

The spread between prices of feeder steers and fed cattle has widened in recent weeks. In the first half of June prices of good grade slaughter steers at Chicago averaged \$7.41 higher than average prices of feeder steers at Kansas City. The feeding margin for similar steers at that time last year was \$4.20.

Livestock prices per 100 pounds (except where noted), marketings and slaughter
statistics by species, May, 1948 with comparisons

PRICES

	Annual 1937-46	January 1947	May 1948	1947 April	1947 May	1948 April	1948 May
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Cattle and calves							
Beef steers sold out of first hands, Chicago:							
Choice and prime	14.61	26.61	31.91	25.88	25.92	30.37	32.41
Good	13.29	23.89	28.69	23.45	24.22	28.17	30.91
Medium	11.63	21.27	25.61	21.04	22.01	25.43	28.62
Common	9.67	17.09	22.58	17.33	17.97	22.59	25.48
All grades	13.22	22.88	28.41	22.93	24.06	28.43	31.33
Good grade cows, Chicago	10.30	17.04	23.00	17.42	19.02	23.43	25.39
Vealers: Gd. and Ch., Chicago	12.90	24.69	27.93	23.14	24.96	26.99	29.04
Stocker and feeder steers							
Kansas City	10.66	19.60	26.05	19.91	21.33	26.62	27.60
Av. price received by farmers:							
Beef cattle	9.71	17.76	21.46	18.30	18.80	21.90	23.70
Veal calves	10.99	19.28	24.04	19.60	20.20	24.10	25.30
Hogs							
Av. market price, Chicago:							
Barrows and gilts	-	24.56	22.30	23.80	22.67	19.98	20.32
Sows	-	20.79	18.66	19.63	18.14	15.94	16.10
All purchases	11.45	24.20	22.06	23.49	22.24	19.79	20.15
Av. price received by farmers:							
Hogs	10.92	23.76	22.06	23.90	22.20	20.60	19.60
Corn, cents per bushel	86.1	143.2	216.8	163.0	159.0	219.0	216.0
Hog-corn price ratio, U. S. 1/	13.1	16.9	10.2	14.9	14.4	9.4	9.1
Sheep and lambs							
Lambs, gd. and ch., Chicago	12.72	22.95	24.66	22.28	22.56	25.13	27.68
Feeding lambs, gd. and ch., Omaha	11.21	2/20.10	21.19	19.56	-	21.61	22.67
Ewes, gh. and ch., Chicago	5.90	9.61	12.63	10.43	10.62	12.55	12.41
Av. price received by farmers:							
Sheep	5.33	8.23	9.58	8.57	8.73	9.45	10.50
Lambs	10.72	19.74	21.48	19.80	19.90	21.10	23.40
Meat							
Wholesale, Chicago:							
Steer beef, carcass (good, 500-599 lbs.)	18.86	36.37	45.86	35.80	37.30	47.02	50.13
Hog products 3/	19.17	39.62	40.84	40.00	38.08	40.58	40.21
Lamb carcasses (good, 30-39 lbs.)	21.18	2/40.24	46.44	39.70	-	48.70	53.90
B.L.S. index retail meat prices 4/	118.7	202.0	233.0	202.6	203.9	233.8	244.2
Index income of industrial workers							
1935-39=100	205.8	310.2	-	308.8	312.8	-	-

Livestock Marketing and Slaughter Statistics

	Unit						
Meat-animal marketings:							
Index numbers (1935-39=100)	--	129	142	131	139	138	124
Stocker and Feeder shipments to:							
8 Corn Belt States							
Cattle and calves	Thous.	-	645	414	131	100	82
Sheep and lambs	Thous.	-	765	386	136	128	69
Slaughter under Federal Inspection							
Numbers: 5/							
Cattle	Thous.	11,398	6,240	5,050	1,203	1,264	899
Calves	Thous.	5,946	3,061	2,722	678	627	550
Sheep and lambs	Thous.	19,602	6,727	5,754	1,322	1,355	1,045
Hogs	Thous.	47,781	20,594	19,448	3,616	3,831	3,343
Average live-weight:							
Cattle	lb.	939	944	6/959	946	934	972
Calves	lb.	200	178	6/176	163	183	168
Sheep and lambs	lb.	89	98	6/99	100	95	100
Hogs	lb.	243	255	6/250	254	260	245
Meat Production:							
Beef	Mil.lb.	5,689	3,156	6/2,606	618	642	475
Veal	Mil.lb.	664	301	6/269	62	64	52
Lamb and mutton	Mil.lb.	804	304	6/266	61	60	48
Pork (excluding lard)	Mil.lb.	6,700	2,950	6/2,753	521	561	473
Storage stocks end of month:							
Beef	Mil.lb.	-	-	-	166	138	114
Pork	Mil.lb.	-	-	-	394	365	607
Lamb and mutton	Mil.lb.	-	-	-	11	10	9
Total meat and meat products ..	Mil.lb.	-	-	-	715	648	851
Percent packing sows are of Fed-erally inspected hog slaughter	Percent:	-	7	-	6	8	3

1/ Number of bushels of corn equivalent in value to 100 pounds of live hogs.

2/ Average of prices for Jan., Feb., Mar., and April.

3/ Calculated from value of 71.32 pounds of fresh and cured hog products including lard.

4/ Meat, poultry, and fish: Bureau of Labor Statistics, 1935-39=100.

5/ 1947 and 1948 slaughter excludes Hawaii and Virgin Islands.

6/ Estimated from weekly data for May.

Commercial calf slaughter (total minus farm slaughter) in the first quarter of 1948 was 2 percent less than a year earlier, but slaughter was reduced relatively more in the second quarter. Inspected slaughter during May was 19 percent less than the record slaughter for the month a year earlier, but noninspected slaughter was not reduced as much.

Compared with slaughter in earlier years and the size of the breeding herd, calf slaughter this year has continued high. A large part of the animals slaughtered are dairy stock, since the bulk of the beef calf slaughter occurs in fall and early winter months.

Lamb Slaughter to Continue
Under a Year Earlier; Domestic
Wool Prices Advance Sharply

Lamb slaughter is expected to continue less than a year earlier since marketings are now coming largely from the 1948 crop which is smaller than a year earlier. The early spring lamb crop was estimated to be 10 percent less than a year earlier. On the basis of the reduction in ewe numbers during 1947 the total lamb crop will not be reduced as much as the early spring crop. Total commercial sheep and lamb slaughter was around 7 percent less than a year earlier in January-March, and was around 19 percent less than a year earlier in April-June.

Total slaughter of mature sheep under Federal inspection in January-April was the smallest for those months since 1941 and was the smallest percentage of the total since 1943.

The average weight of sheep and lambs slaughtered under Federal inspection in the first four months of 1948 was 99.4 pounds, slightly higher than during each of the previous two years and the heaviest of record for that period. In recent weeks average slaughter weights have continued greater than in 1947.

Shearing for the 1948 season is almost finished in the important sheep States. Prices of wool have advanced sharply in the world market this spring. Domestic fine and half-blood wools are now selling outside of the Government purchase program at prices considerably above CCC purchase prices. The average price received by farmers for wool in May was 45.6 cents a pound compared with 41.8 cents a month earlier and 41.7 cents a year earlier. The April-May rise in prices received by farmers was the sharpest since September-October 1939 when World War II began.

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